

Indiana Brownfields Bulletin

Winter 2011

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U.S. EPA evaluating October 2010 brownfield grant proposals; awards anticipated in Spring 2011

Kudos to Indiana for its increase in brownfield proposals to the U.S. Environmental Protection Agency (U.S. EPA) for its 2010 competitive grant round. In addition to the Indiana Brownfields Program's assessment grant proposal, the state supported a total of 34 community grant proposals for Assessment, Revolving Loan Fund (RLF), and Cleanup (ARC) monies for brownfield redevelopment efforts statewide. With a two-fold increase in the number of applicants compared to 2009, including an increase in coalitions, the Program hopes for a rise in grant awards. For information about U.S. EPA's Brownfields ARC Grants and announcements, please visit http://

www.epa.gov/brownfields/grant_info/index.htm.

Calling public and private brownfield borrowers—Revolving Loan Fund dollars still available

Zero and low-interest loan funds continue to be available through the Indiana Brownfields Program's Revolving Loan Fund (RLF) incentive. Interested public and private entities should contact the Program prior to submitting an application to learn the available balances of funding to clean up hazardous substances and/or petroleum-contaminated sites. For more information, contact Michele Oertel, moertel@ifa.in.gov.

To download an application, please visit www.in.gov/ifa/brownfields/2366.htm.

First Auto Sector Brownfields Assessment Initiative award to improve the former Dana facility in Columbia City

In September 2010, the Indiana Brownfields Program (Program) awarded \$110,004 from its Automotive Sector Brownfields Assessment Initiative (Auto Sector Initiative) to the City of Columbia City for the former Dana facility. In keeping with the purpose of this initiative, this funding will help the City address environmental problems associated with this facility which closed as a result of the downsizing of the automotive manufacturing sector. On-site activities utilizing this funding will include a lead-based paint survey, asbestos-containing material sampling, site stabilization, controlling site/access security, and removal of wastes. Addressing these environmental concerns will facilitate redevelopment by the prospective purchaser which plans to expand its operations on -site and add ten new jobs.

At this time, a total of approximately \$257,000 in funding is available for Phase I and Phase II environmental site assessments and other activities excluding remediation. As a reminder, applicants, (which can be eligible political subdivisions or private entities) will be awarded professional services to be performed by consultants retained by the Program.

The Program continues to accept applications on a rolling basis. Details regarding applicant and site eligibility criteria are included in the Auto Sector Initiative guidance and the application for the Indiana Brownfields Program Auto Sector Initiative are located on the IFA Web site at: http://www.in.gov/ifa/brownfields/2366.htm.

For more information or questions, please contact Michele Oertel, <u>moertel@ifa.in.gov</u>.

The **Automotive Sector Initiative** provides technical assistance to facilitate the redevelopment of permanently idled or closed auto dealerships and parts/supplier, assembly and manufacturing plants that are brownfield sites resulting from the downsizing of the automotive manufacturing sector.

Growth in Sustainable Remediation and Redevelopment Guidance

On October 14, 2010, the U.S. Environmental Protection Agency (U.S. EPA) released a draft plan to promote development of renewable energy facilities on contaminated lands, the next step in its Re-Powering America's Land Initiative. The draft plan expands on the progress which has been made to date under this initiative and outlines key areas that U.S. EPA will focus on over the next two years. The initiative is exploring ways to provide incentives and technical assistance for those interested in cleaning up and reusing contaminated land for solar, wind, or other renewable energy generation facilities.

In December 2010, the U.S. EPA released a draft fact sheet entitled "Siting Renewable Energy on Contaminated Properties: Addressing Liability Concerns." The purpose of this fact sheet is to provide answers to some of the common questions regarding potential liability for cleanup costs that developers of renewable energy on contaminated properties might have. Although the target audience of this document is renewable energy developers, the federal liability framework for contaminated properties does not differentiate between renewable energy development and any other type of redevelopment or reuse. For general information about Re-Powering America's Land Initiative, please go to http://www.epa.gov/ renewableenergyland. U.S. EPA also encourages stakeholders to consult with the state and legal counsel prior to taking any action to acquire, clean up, or redevelop contaminated property.

Stay tuned for U.S. EPA's finalization of the "Siting Renewable Energy on Contaminated Properties: Addressing Liability Concerns" guidance document.

For additional information, please view the IFA's Sustainability Initiative Web page at http://www.in.gov/ifa/brownfields/2351.htm.



Brownfields and SRF Programs join forces for creative brownfield financing: Elkhart, Indiana

The Indiana Finance Authority (IFA) Environmental Programs, which consist of the Indiana Brownfields Program (Program) and the State Revolving Fund (SRF) Loan Programs, work in partnership with the U.S. Environmental Protection Agency (U.S. EPA) to offer financial assistance to eligible borrowers for activities that protect both public health and the environment and can facilitate economic redevelopment. In some cases, SRF funding is available to fund brownfield cleanup activities that abate or prevent nonpoint source (NPS) pollution of Indiana's waters as a nonpoint source water pollution control project under the Section 319 of the Clean Water Act. If available, this funding can be a valuable financial resource for a community when conventional brownfield funding alone cannot completely fund site cleanup. Integrating a nonpoint source project with a wastewater infrastructure project lowers the interest rate for an SRF loan by up to 0.5 percent, making available additional funds that can be applied to qualified NPS activities. Combining this funding with U.S. EPA Revolving Loan Fund (RLF) monies from the Program has benefited two projects in the City of Elkhart: the Former Elkhart Foundry and the Former LaBour Pump facility.



Former Elkhart Foundry—Before Demolition

The idea for this funding concept was conceived during discussions with the City about its planned wastewater project; the \$8.83 million combined sewer overflow (CSO) abatement project was to be financed by the City with open market financing, which would have been more expensive than utilizing SRF financing (5.5% vs. 2.6%, saving \$3.3 million.)The City also had two brownfields with water quality impacts in need of remediation. To this end, the IFA suggested a funding plan utilizing both Program and SRF monies, enabling the City to fund two brownfield projects at no additional cost, while at the same time providing a reliable repayment source to IFA.



Former Elkhart Foundry—After Demolition

The SRF savings enabled the following: \$650,000 SRF financing for one of the two brownfield remediation projects and \$1,250,000 brownfield financing to demolish and remediate two brownfield sites. The successful financing resulted in addressing the CSO project as planned and \$2,950,000 loaned for two brownfield remediation projects nearing completion (\$1,050,000 of which was state Low-Interest Loan funding) at no additional cost to the City.



Former LaBour Pump—Before Demolition



Former LaBour Pump—During Demolition

Shades of Green

While brownfield stakeholders in Indiana and nation-wide acknowledge the benefits of sustainable redevelopment and green building practices such as increased efficiency of resources and greater quality of life, the remediation side of the coin is sometimes overlooked. However, the U.S. Environmental Protection Agency (U.S. EPA) Region 5 is leading the way toward achieving greener environmental cleanups.

Region 5, in cooperation with its six states including Indiana, developed the Region 5 Interim Greener Cleanup Policy, held a Greener Cleanup Workshop in 2010 that included state case studies, and is developing several white papers to assist with applying the various practices outlined in the interim policy found at http://www.epa.gov/reg5rcra/wptdiv/cars/remediation/.

Furthermore, Region 5 has been training its remediation staff to recognize opportunities for using greener techniques and has begun several greener cleanup pilot studies.

The Interim Greener Cleanup Policy identified 12 greener cleanup practices that Region 5 will promote and utilize to reduce the environmental footprint of its site work. The white papers will facilitate the implementation of these practices:

- Employing energy conservation and efficiency approaches, including Energy Star equipment and renewable forms of energy.
- Using cleaner fuels, diesel emission controls and retrofits, and emission reduction strategies.
- Diverting from landfills, via reuse and recycling, at least 50 percent by weight of the uncontaminated construction and demolition materials generated at cleanup sites.

Beyond the white papers, the next steps include completing the pilot study at the former Fisher Calo facility in Indiana, addressing the Innovation Funds project/full-scale application of micro-turbines, and preparing applications for additional funding for pilot

projects.

For questions, comments, or more information about Region 5's Greener Cleanup activities, contact:

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CALENDAR OF EVENTS

For up-to-date information about events relevant to brownfield redevelopment, please visit the Indiana Brownfields Program Web site: www.brownfields.IN.gov.

January 28, 2011

WEBINAR: Vita Nuova Series – Sustainable Jersey: A Statewide Sustainability Initiative Mobilizing Local Action

http://www.vitanuova.net/journal/?p=6

February 10. 2011

WEBINAR: U.S. EPA Clu-In Session 2 of 3 http://c;lu-in.org/training

February 17, 2011

Proposal Deadline for FFY 2011 Supplemental Funding for Brownfields Revolving Loan Fund (RLF) Grantees

http://edocket.access.gpd.gov/2011/2011-908.htm

April 3-5, 2011

The 14th National Brownfields Conference: Sustainable Communities Start Here Philadelphia, PA

http://www.brownfields2011.org/en/home Brownfields 2011 Flyer

May 15-19, 2011

International Conference on Deconstruction, Building Materials Reuse, and Construction and Demolition Materials Recycling

www.bmra.org/events/conference

Return on Investment annual project survey results are in

benefits of Indiana Brownfields Program are undeniable

■ IFA Investment

In an effort to measure the effects of assistance from the Indiana Brownfields Program (Program) and benefits of brownfield redevelopment, such as funds leveraged, jobs created, and businesses created or retained, the Program has surveyed stakeholders that have received of Program financial and technical assistance for over the past ten years. These annual surveys provide invaluable feedback that helps the Program evaluate its services and highlight local successes.

To date, surveys have been received for 541 brownfield sites that have received Program assistance since the Program's inception in 1997. Information from these surveys was used to calculate the return on the Indiana Finance Authority's (IFA) financial investment in Program projects. These return on investment (ROI) figures, as well as other pertinent, cumulative results of brownfield redevelopment projects are summarized below:

- ROI for IFA-funded projects: \$9:\$1 (by comparison, U.S. EPA reportedly leverages \$8.70 total investment per \$1 invested).
- ROI for all projects, including projects that received technical assistance, liability determination letters, and oversight of federally-funded grant activities from the Program: \$35:\$1.
- Reported jobs created: 5,723
 Reported jobs retained: 3,420
 Reported businesses created: 154
 Reported businesses retained: 73
 Reported housing created: 745
 Reported housing retained: 221
- Reported greenspace acreage created: 768
- Reported acreage of sites: 3,345

The Program appreciates all who responded to this very important survey in 2010, as well as in previous years. Please remember that Program participants can complete and submit the one-page survey at any time during their redevelopment project. A form is conveniently available on our Program Web site at http://



■ Private Leveraged Funds

■ Public Leveraged Funds



Green Remediation in South Bend — *Windmills are a sight for sore eyes*

The windmills on the property located at 731 West Chippewa Avenue in South Bend, Indiana, are the result of a greener cleanup effort. The remediation of groundwater and soil contamination on the former AM General/LTV Aerospace and Defense Facility (also known as the Hannover Property), which is partly funded through the Indiana Brownfields Program (Program), includes the installation of two windmill-operated product recovery wells.

In 1941, the Hannover property was developed as part of a larger manufacturing complex built for the Studebaker Corporation's jet engine manufacturing operations. The property was operated as a storage and building maintenance facility for the main plant through 2001, when it was parceled off from the main plant. Since then, it has been operated as a storage and vehicle maintenance facility.

Historic activities at the site include the operation of at least 34 underground storage tanks (USTs) which

Windmills, Continued on Page 6

Windmills, continued from Page 5

contained gasoline, diesel fuel, jet fuel, boiler fuel oil, motor oil, antifreeze, transmission fluid, varnish, and solvents. During jet tank removal activities in 1989, petroleum and hazardous substances contamination in both soil and groundwater were encountered and remain to date. Subsequent surface investigations at the site and at adjacent manufacturing facilities have discovered contamination to on-site and off-site soil and groundwater such as total petroleum hydrocarbons (TPH), volatile organic compounds (VOCs), and metals

In 2008 and 2009, a comprehensive subsurface investigation of the site and the adjacent areas, financed in part by a Program grant, resulted in the completion of both vertical and horizontal delineation of contamination at the site. These assessment activities determined that free product of jet fuel is contaminating the north/northwestern portion of the Hannover Property underground. This petroleum contamination is found as deep as 35 feet below the site and is impacting groundwater. It is estimated that up to 38,000 gallons of free product remain at the site. To address this soil and groundwater petroleum contamination, different types of remediation technologies were considered and tested on-site.

The results of the remediation technology testing concluded that the most effective way to clean up the onsite petroleum contamination would be to utilize a multi-phase extraction system along with pump-and -



Windmills at the former AM General/LTV Aerospace and Defense Facility, South Bend



Windmills at the former AM General/LTV Aerospace and Defense Facility, South Bend

treat recovery wells installed in areas with the greatest amount of jet fuel free product. Rather than the standard pump-and-treat recovery wells typically utilized for site remediation, options were considered to find an energy-efficient remediation technology. To this end, it was determined that windmills provide a renewable power source and would be used to operate the pump-and-treat recovery wells in order to clean up the petroleum contamination.

In addition, based on the sampling and the extracted analysis of free product, it was determined that free product could be recycled and utilized by local vendors for alternative energy generation. The use of windmill pump-and-treat technology and the recovery and recycling of recovered free product will serve to mitigate costs incurred for remediation at the site, as well as provide an environmentally friendly option for site remediation.

The site owner also owns an adjacent property to the north and has opened a recycling and waste transfer station. Operations include the recycling of building materials such as wood and blocks, along with metals and other recyclables. The business has already expanded its operation onto a portion of the site with plans to expand the business further once remediation is complete.

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The Indiana Brownfields Program offers educational, financial, legal, and technical assistance and works in partnership with the U.S. Environmental Protection Agency and other stakeholders to assist Indiana communities in making productive use of brownfield properties.

Indiana Brownfields Program

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